

## Estate Recovery Program Frequently Asked Questions

### ***What is estate recovery?***

Estate recovery in Iowa applies to the costs a Medicaid member incurs over the age of 55, or for the costs of all others - regardless of age - in long-term care who have no reasonable expectation of returning home.

It does NOT apply if you are under 55 and not in long term care.

### ***Are any programs not impacted by estate recovery?***

People who are only enrolled in the Medicare Savings Program are not impacted by estate recovery. The Medicare Savings Program includes people with full Medicaid and Medicare, Qualified Medicare Beneficiaries (QMB) and Specified Low Income Medicare Beneficiaries (SLMB).

### ***What is an estate?***

For the purposes of the Estate Recovery Program, an estate includes any property, bank accounts, excess funds in a burial trust, or other assets in which the individual had any legal title or interest. This includes, but is not limited to jointly held property and interest in trusts, including life estates.

### ***Why do I have to pay money back?***

This practical approach sustains Medicaid financially, allowing it to continue ensuring that Iowa's most vulnerable citizens have access to critical health care services. Iowa's Medicaid program is projected to serve nearly 680,000 Iowans in SFY14, or 22.2 percent of Iowa's population.

### ***When do I have to pay back Medicaid assistance?***

If you have assets, repayment occurs after death, with no interest until six months after death. If there is a surviving spouse or disabled child, the repayment for Medical Assistance is waived until the death of the surviving spouse, or adult disabled child.

### ***How much will I have to pay?***

All repayments are based on the estate's ability to repay. If there are no assets in the estate, which happens in the majority of cases, there is no collection. After death, if there are assets, repayment occurs only after all funeral, legal, tax and last medical expenses have been paid.

# Iowa Medicaid Estate Recovery Program



## ***What if my family can't pay?***

Any repayment comes from your estate - your assets. If there are no assets, then no payment is required. As long as your family has not taken money from your estate, they do not have to pay anything out of pocket.

Iowa's estate recovery program also provides waivers if:

- There is a surviving spouse or disabled child, the repayment for Medical Assistance is waived until the death of the surviving spouse, or disabled child.
- The repayment of the debt to Iowa's taxpayers would cause an undue hardship on the heirs of the deceased member, then the repayment can be waived if the heir meets the hardship waiver guidelines.

## ***Does estate recovery apply to the new Iowa Health and Wellness Plan?***

Yes. Estate recovery application to the Iowa Health and Wellness Plan, which is part of Iowa Medicaid Program, is required under the law. It is consistent with the IowaCare program, which was implemented in 2005. To date, the majority of Iowans who may be subject to estate recovery under the Iowa Health and Wellness Plan had similar terms under the IowaCare program. Iowa's Estate Recovery Program has been in place since 1994.

## ***What do I get from the Medicaid Iowa Health and Wellness Plan?***

With the Iowa Health and Wellness Plan, Iowans get comprehensive, low-cost health care without having to sell off/liquidate their assets (house, cars, retirement plans) while they are alive, which prior eligibility rules would have required. This way, many vulnerable Iowans can maintain their lifestyle, such as remaining in their home, while receiving quality, taxpayer-funded medical services.

## ***When did the Estate Recovery Program begin and why did it start?***

Iowa has pursued Medicaid Estate Recovery since 1994, in compliance with the federal mandate. All 50 states and the District of Columbia are required by federal law to have an estate recovery program to recover Medicaid expenses.

## ***Why do I need health coverage?***

The federal Affordable Care Act requires that all Americans have health insurance starting in 2014. No one plans to get sick or hurt, but most people need medical care at some point. Health insurance covers these costs and protects you from very high medical expenses.

## ***What if I don't want to owe Medicaid, but I can't afford another insurance plan?***

The Affordable Care Act requires a person to have minimum essential coverage, purchase a health insurance plan, enroll in a Medicaid or Medicare program if eligible, or pay the related penalty (in 2014 it is \$95 or 1 percent of income, whichever is higher).

## Iowa Medicaid Estate Recovery Program



### ***What if I choose a plan through the federal marketplace at HealthCare.gov?***

The federal Health Insurance Marketplace plans are not part of Iowa Medicaid.

### ***What else should I know?***

Iowa's Medicaid program is projected to serve nearly 680,000 Iowans in SFY14, or 22.2 percent of Iowa's population. Estate recovery sustains the program financially, allowing it to continue ensuring that Iowa's most vulnerable citizens have access to critical healthcare services.

The program has returned more than \$220 million dollars to the state's Medicaid Program where these funds can then be reused to assist others. The average cost of a Medicaid nursing facility bed is \$4,000 per month in Iowa or about \$48,000 each year. Annually, more than 400 current Medicaid recipients' care is paid through the recoveries from Iowa's estate recovery program.

The Estate Recovery Program opens and closes approximately 9,000 cases annually. In 2013, over half of the cases, 5,350, were closed with no payment received. Of the 3,546 cases that were closed with at least one payment, there were 4,937 payments received, but only 506 repaid the Medicaid claim in full.

The Estate Recovery Program is not a collection agency and has less than 20 ongoing payment arrangements where family members have taken funds from the estate that must be repaid.

Iowa has two decades of precedent that, to the extent assets exist for a citizen whose healthcare was covered through taxes on others, those assets should be rightly subject to recovery at the time of death to the extent allowed by law.

### ***Where can I get more information specific about the Estate Recovery Program?***

For additional information about only the Estate Recovery Program, please contact:  
Iowa Medicaid Estate Recovery Program

**Toll Free: 877-463-7887**

Local: 515-246-9841

Email: [estates@dhs.state.ia.us](mailto:estates@dhs.state.ia.us)

For other information about Medicaid programs, benefits, finding a provider and more, please contact Iowa Medicaid Member Services

**Toll Free: 1-800-338-8366**

Local: 515-256-4606

Email: [IMEMemberServices@dhs.state.ia.us](mailto:IMEMemberServices@dhs.state.ia.us)